

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRUSSE 06049 240751Z

17 15

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 SPC-03 AID-20 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 SCEM-02

INT-08 PA-04 PRS-01 USIA-15 SCI-06 DRC-01 TAR-02 L-03

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

/177 W

----- 061334

R 231810Z OCT 73

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 8965

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY THE HAGUE

USMISSION OECD PARIS

USMISSION EC BRUSSELS

LIMITED OFFICIAL USE BRUSSELS 6049

E. O. 11652 NA

TAGS: ENRG, BE

SUBJECT: RESTRICTIONS ON PETROLEUM EXPORTS

REF: BRUSSELS 5857 (NOTAL)

1. SUMMARY: POSSIBILITY THAT THE GOB IS ABOUT TO INSTALL AN EXPORT LICENSING REQUIREMENT FOR PETROLEUM EXPORTS HAS INCREASED SHARPLY. A LICENSING REQUIREMENT, WHICH ACCORDING TO VERY RELIABLE INDUSTRY SOURCES WILL BE PUBLICLY ANNOUNCED OCTOBER 24, WILL BE OFFICIALLY USED ONLY TO MONITOR EXPORTS FOR TIME BEING BUT MAY SOON IN FACT CURTAIL EXPORTS OUTSIDE THE EUROPEAN COMMON MARKET. END SUMMARY.

2. BENELUX CONSULTATIONS ON PETROLEUM SUPPLY WERE HELD LAST
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRUSSE 06049 240751Z

WEEK OCCASIONED BY MIDDLE EAST EVENTS, PLUS THE PROBLEM

LUXEMBOURG FACES AS A NON-PRODUCER OF PETROLEUM PRODUCTS. AS PETROLEUM PRICES ARE HIGHER IN GERMANY THAN IN GRAND DUTCHY, GOL INCREASINGLY CONCERNED ABOUT PETROLEUM PRODUCTS FROM BELGIUM FLOWING TO GERMANY LEAVING INSUFFICIENT AMOUNTS TO MEET LUXEMBOURG'S NEEDS. ACCORDING TO GOB SOURCES PURPOSE OF CONSULTATIONS WERE TO (A) REVIEW SITUATION, (B) AGREE TO INSTRUCT APPROPRIATE GOVERNMENT AGENCIES TO INSTITUTE CLOSER SURVEILLANCE OVER DEVELOPMENTS, AND (C) APPROVE LUXEMBOURG CONTINGENCY PLAN TO CONTROL EXPORTS TO GERMANY IF CALLED FOR.

3. NETHERLANDS EMBOFF HOWEVER TELLS US MEETING ALSO DEALT WITH DUTCH UNHAPPINESS WITH BELGIAN CONTINGENCY PLAN FOR PETROLEUM EXPORT CONTROL WHICH INCLUDES NETHERLANDS. DUTCH ARGUE THAT BENELUX AGREEMENT FORBIDS THIS SORT OF TRADE BARRIER BETWEEN THE TWO COUNTRIES. ACCORDING TO OUR SOURCE BELGIANS WERE UNMOVED BY DUTCH OPPOSITION TO PROGRAM FOR PETROLEUM EXPORT CONTROL. BELGIAN GAVE NO INDICATION, HOWEVER, WHEN OR EVEN IF THEY INTENDED TO IMPLEMENT THIS PLAN.

4. FOR SOME WEEKS LOCAL PETROLEUM INDUSTRY HAS BEEN FULL OF RUMORS THAT GOB WAS INTENDING TO IMPLEMENT EXPORT LICENSING. THE LICENSING SYSTEM WOULD BE NOMINALLY ONLY FOR INFORMATION PURPOSES, BUT WITH HINTS THAT WHILE LICENSES FOR OTHER EC COUNTRIES WOULD BE READILY FORTHCOMING, THOSE FOR DESTINATIONS OUTSIDE EC MIGHT BE DELAYED IF NOT DENIED.

5. BELGIAN SITUATION COMPLICATED IF NOT CAUSED BY GOB REFUSAL OVER PAST YEAR TO PERMIT RETAIL PRICE INCREASES, RESULTING IN SIGNIFICANT DIFFERENCE IN PRICE LEVELS BETWEEN BELGIUM AND NEIGHBORING COUNTRIES. AS RESULT IMPORT TRADE WHICH HAS TRADITIONALLY SUPPLIED UPWARDS OF 29 PERCENT OF LOCAL DEMAND HAS DRIED UP. (BELGIAN PETROLEUM REFINERY CAPACITY IS ALMOST DOUBLE INTERNAL NEEDS BUT MUCH OF THAT CAPACITY IS COMMITTED TO SUPPLY REGIONAL EUROPEAN MARKETS. THEREFORE BELGIAN REFINERS ARE EXPORTING WHILE JOBBERS AND MIDDLEMEN SUPPLIERS ARE IMPORTING PRODUCT FOR RETAIL SALE.)

6. BENELUX MEETING REFERRED TO IN PARA (2) WAS PROBABLY ORIGINAL ARTICLE WHICH APPEARED IN OCTOBER 22 PARIS EDITION OF HERALD TRIBUNE AND WHICH ERRONEOUSLY STATED BELGIUM AND NETHERLANDS HAD ALREADY LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BRUSSE 06049 240751Z

CONCLUDED NEW AGREEMENT CONCERNING PETROLEUM EXPORTS.
STRAUSZ-HUPE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, PETROLEUM INDUSTRY, EXPORT CONTROLS, EXPORT LICENSES
Control Number: n/a
Copy: SINGLE
Draft Date: 23 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973BRUSSE06049
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731018/aaaaamud.tel
Line Count: 109
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: BRUSSELS 5857 (NOTAL)
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 05 NOV 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05-Nov-2001 by garlanwa>; APPROVED <06-Nov-2001 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: RESTRICTIONS ON PETROLEUM EXPORTS
TAGS: ENRG, BE
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005